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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20054

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)
)
BRUCE TELEPHONE COMPANY) CC Docket No. 92-237
)
Request for Waiver of Carrier)
Identification Code Requirement)

To: Network Services Division, Common Carrier Bureau

REQUEST FOR WAIVER

Bruce Telephone Company (BTC), by its attorney and pursuant to Section 1.3 of the Commission's Rules, requests waiver until June 30, 1999, of the requirement in the CICs Order on Reconsideration¹ for local exchange carriers (LECs) providing equal access to convert their switches to recognize four-digit Carrier Identification Codes (CICs) by January 1, 1998.

Special Circumstances

BTC is a small LEC (approximately 1,635 access lines) which has provided equal access to interstate toll carriers since February, 1991. It presently serves a single exchange in and near the rural community of Bruce, Wisconsin.

BTC's exchange is located in, and serves, a lake region. Over the years, BTC determined that the use of multiple subscriber remotes connected to its host switch constituted the most efficient and economical way for it to deal with the

¹ Order on Reconsideration, Order on Application for Review, and Second Further Notice of Proposed Rulemaking (Administration of the North American Numbering Plan, Carrier Identification Codes (CICs)), CC Docket No. 92-237, FCC 97-386, released Oct. 22, 1997.

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topography and demographics of its exchange area.

BTC installed its existing host switch -- a digital Siemens Stromberg-Carlson switch -- in Bruce in 1982. Since that time, it has added six subscriber remotes at various locations within the exchange. These remotes presently serve approximately half of BTC's 1,635 access lines.

BTC's switching system presently employs Siemens Stromberg-Carlson Release No. 14.1 generic software, which does not support four-digit CICs. BTC cannot upgrade its network to recognize four-digit CICs by installing a later version of this software because the available later releases cannot accomodate the six remotes. Rather, BTC must replace its existing host/remote switching system with a new switch.

In 1996, BTC retained Finley Engineering Company, Inc. (Finley) to prepare a Present Worth of Annual Charge (PWAC) Study for it as a preliminary step to seeking Rural Utilities Service (RUS) financing for a new switch. Finley delivered this PWAC Study to BTC on November 26, 1996.

During 1997, BTC has negotiated with potential vendors and evaluated switching options, costs, and financing. This has been a far more complicated and time-consuming process than expected, particularly because of the need to plan for the accomodation of changing federal and state service obligations (such as four-digit CICs, dialing parity and number portability), as well as changing technologies and markets.

BTC has now selected its switching equipment and vendor, and

is ready to negotiate final contractual terms and schedules. In addition, BTC has determined that it will take too long for it to obtain RUS financing for its new switching system, and has nearly completed an alternative financing arrangement.

At present, BTC believes that it can complete arrangements for the purchase and financing of its new switching system during the First Quarter of 1998; and that it can obtain, install, test, adjust and make the new switching system ready for commercial operation by June 30, 1999.

The Requested Waiver Should Be Granted

At paragraph 24 of its CICs Order on Reconsideration, the Commission recognized that some LECs may not be able to convert their switches to accept four-digit CICs by the January 1, 1998 deadline. It stated that LECs unable to meet this conversion deadline must seek relief from the Commission prior to that date.

In an Order (Clarks Telecommunications Co.), DA 97-2528, released December 3, 1997 [CIC Waiver Order], the Network Services Division recently granted waivers of the conversion deadline to several small LECs. The Division noted therein that the following three factors were relevant to its consideration of waiver requests: (1) the LEC's diligence in upgrading its switches; (2) the availability from manufacturers of products required to accomplish the upgrade; and (3) the impact of an extension of the conversion deadline on the interexchange carriers (IXCs) served by the LEC's switches and on customers' ability to reach IXCs through carrier access code (CAC) dialing.

CIC Waiver Order at para. 15.

Here, BTC has been acting diligently to select and finance a new switching system since 1996. This is a difficult and time-consuming undertaking for small, one-exchange LEC, which has not had to acquire a new switch since 1982 and which has little or no margin for error if it were to make an imprudent choice. Moreover, the normal complexity and risk of the switch selection process has been exacerbated during the past year by the changes and uncertainties arising from federal and state implementation of interconnection, dialing parity, number portability, universal service, access pricing and other provisions of the Telecommunications Act of 1996.

Second, it is BTC's information and belief that it cannot upgrade the software of its existing Siemens Stromberg-Carlson switch to recognize and accomodate four-digit CICs. BTC has been advised by its technical consultants that it cannot upgrade its network to recognize four-digit CICs by installing a later version of the Siemens Stromberg-Carlson software because the available later releases cannot accomodate BTC's six remotes (which serve approximately half of BTC's access lines). Rather, BTC must replace its existing host/remote switching system with a new switch, and is attempting to do this as quickly as practicable.

Third, the 1,635 access lines served by BTC's single exchange constitute a minute fraction of the total U.S. access lines served by IXC's. BTC's customers are presently served by

fourteen (14) presubscribed IXCs. Until its new switching system is installed and made ready for commercial operation, BTC expects to be able to accomodate the traffic of all of the IXCs likely to be used on a presubscribed or call around basis by BTC's local exchange customers. Even in the improbable event that a resident or visitor to Bruce might desire (at some point during the waiver period) to place a toll call via a future IXC that is not reachable without one of the new four-digit CICs, the temporary inability of the end user to reach the new IXC will not significantly impact IXC competition in general, nor even the viability of the new IXC entrant itself.

In sum, BTC cannot physically comply with the January 1, 1998 deadline, or with the extended June 30, 1998 deadline granted to some small LECs in the CIC Waiver Order. Because of its reliance upon subscriber remotes, BTC does not have the option of upgrading its existing Siemens Stromberg-Carlson switching system. Rather, BTC must acquire and obtain a new switching system, an undertaking which cannot practicably or reliably be completed until June 30, 1999.

The Commission has previously granted large and small LECs substantial extensions of time when compliance with new service mandates required the replacement of existing switches. For example, the Commission granted Pacific Bell a six-month waiver of the January 1, 1997 deadline for caller ID unblocking, so that it could replace (rather than upgrade) various existing switches. Memorandum Opinion and Order (Caller ID), 11 FCC Rcd. 12,756

(1996). Likewise, in North State Telephone Company, DA 87-376, released April 8, 1987, the Common Carrier Bureau granted a three-year waiver of the equal access implementation timetable to a small LEC (6,186 access lines) in order to permit it to retire and replace a nine-year old analog switch that had not been fully depreciated.

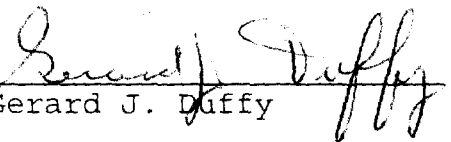
Grant of the requested waiver also would be consistent with the Commission's commitment to reducing regulatory burdens on small telephone companies. See, e.g., Notice of Proposed Rulemaking (End User Common Line Charges), 10 FCC Rcd. 8565, 8580 (1995); Report and Order (Competitive Service Safeguards for Local Exchange Carrier Provision of Commercial Mobile Radio Services), FCC 97-352, released Sept. 30, 1997 (noting that Congress expressed concern in the 1996 Act about burdens placed on small and rural LECs); Notice of Proposed Rulemaking (Regulation of Small Telephone Companies), 2 FCC Rcd. 1010, 1010 (1986) (minimizing regulatory burdens), adopted by 2 FCC Rcd. 3811 (1987) (Report and Order), recon., 3 FCC Rcd. 5770 (1988); LEC Price Cap Order, 5 FCC Rcd. 6786, 6818 (1990) (recognizing that small telephone companies should not be forced into a regulatory regime that was designed based largely on performance of large telephone companies); Report and Order (Regulatory Reform for Local Exchange Carriers Subject to Rate of Return Regulation), 8 FCC Rcd. 4545 (1993) (adopting a new and different set of optional incentive regulations designed specifically for small LECs); Order on Reconsideration (Interstate Interexchange

Marketplace), FCC 97-293, para. 105, released Aug. 15, 1997 (rejecting suggestion to require the deployment of SS7 because it would impose greater burdens on small LECs); Second Report and Order (Telephone Number Portability), FCC 97-289, paras. 8-9, released Aug. 14, 1997 (stating that the Commission had reduced burdens on rural and smaller LECs).

Conclusion

BTC has shown good cause under Section 1.3 of the Rules and the criteria in the CIC Waiver Order that the January 1, 1998 CIC conversion deadline should be waived, and that it should be given until June 30, 1999, to convert its switches to recognize four-digit CICs. See WAIT Radio v. FCC, 418 F.2d 1153, 1157 (1969), and Northeast Cellular Telephone Co. v. FCC, 897 F.2d 1164, 1166 (D.C. Cir. 1990).

Respectfully submitted,
Bruce TELEPHONE COMPANY

By 
Gerard J. Duffy

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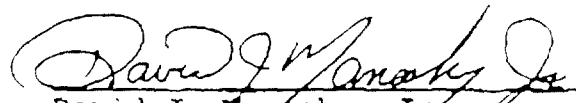
Dated: December 18, 1997

DECLARATION

I, David J. Manosky, Jr., hereby state the following:

1. I am the President and General Manager of Bruce Telephone Company.
2. I have read the foregoing Request for Waiver prepared for filing with the Federal Communications Commission on behalf of Bruce Telephone Company.
3. With the exception of those facts of which official notice can be taken, all facts statements made regarding Bruce Telephone Company in the Request For Waiver are true and correct to the best of my knowledge, information and belief.

I declare under penalty of perjury that the foregoing is true and correct. Executed on this 15 day of December, 1997.


David J. Manosky, Jr.

CERTIFICATE OF SERVICE

I, Sharmon Truesdale, an employee of Blooston, Mordkofsky, Jackson & Dickens, certify that on this 18th day of December 1997, copies of the foregoing REQUEST FOR WAIVER have been hand-delivered to:

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Linda Dubroof, Deputy Chief
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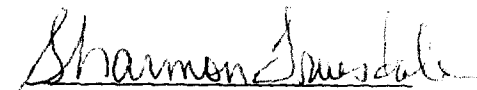
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